TSY

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

DOS Review Completed.

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Ambassador Simcha Dinitz, Ambassador for Israel

Hanah Bar-On, Minister, Embassy of Israel

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

Dr. Henry A. Kissinger, Secretary of State Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs

Peter W. Rodman, NSC Staff Pm

James P. Covey, Secretary's Office (notetaker

at Beginning)

DATE AND TIME:

Friday, June 18, 1976

6:10 - 6:47 p.m.

PLACE:

The Secretary's Office

Dinitz: I want to give you my personal condolences and my own deep personal regrets [about the murders of American diplomats in Beirut].

I have some information here about the group that may be responsible. It is not much; but it is all we have. [He hands him Tab A.]

Kissinger: [Reads the paper] That is exactly what we already had, only a little more detailed.

Kissinger: No, we also had it before that.

Dinitz: You asked for our estimates of Palestinian casualties. Since the middle of 1975, we believe there have been around 1,000-1,500 casualties in Lebanon.

Kissinger: Out of a total force of how many?

Dinitz: A total force of 5,000.

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SECRET - XGDS (3) CLASSIFIED BY: HENRY A. KISSINGER

No Objection to Declassification in Part 2010/12/09: LOC-HAK-161-8-5-9

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Atherton: It was probably higher.

Bar-On: You probably count the casualties of Saiqa among the casualties of the Palestinians before.

Dinitz: If you count all the rejectionists, the total is more like 10,000.

I have one thought on another matter -- I talked to the Prime Minister -- that since you are having this meeting with the Ambassadors

Kissinger: Right. Actually it won't be as urgent as I thought it would be.

<u>Dinitz</u>: Our thought on the matter is that maybe the situation in Lebanon can be utilized, to capitalize on Syria's isolation, (1) to crush the PLO as a political and military force and (2) to create a coalition of Syria, Saudi Arabia and Egypt. Egypt could cease aligning itself with the radicals and join with Syria and Saudi Arabia, and Syria in turn should separate itself from the Soviets.

<u>Kissinger:</u> I told our Cabinet today that, if we could separate the murder of our Ambassador from the strategic situation, the situation in the Middle East was for the first time that it could produce an alignment that is favorable to a settlement. If it broke right.

Dinitz: One other item of business, and this is the President and the Interim Quarter. We hear from Passman that he talked with the President and it will be \$200 million. This is shocking to us. Because the estimate was it would be more. This is inadequate for the military part.

Kissinger: I have been getting calls from Senators. I recommended to Javits that he call the President directly. I came in when the President was calling Passman. I gathered it was about this, from the parts of the conversation I heard.

Dinitz: Inouye is for the whole \$500 million and I am afraid there won't be a compromise. I don't know what we can do.

Kissinger: I thought, when I heard these figures, that they had been worked out with somebody. [He calls General Scowcroft and asks how the figures were arrived at.]

Dinitz: We wanted \$375 million.

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<u>Kissinger:</u> Apparently the figure was picked because it keeps it below the ceiling. That keeps it below the ceiling.

<u>Dinitz</u>: That is ridiculous, because we asked for \$375 million, which would be on credit, so only ten percent would be added to the ceiling, or 37. He gives now \$200 million, half in grant, of which \$100 million has to be added to the ceiling. Plus the Arab figures -- I am not complaining about the Arab figures.

Kissinger: I will talk to him tonight. I am seeing him at 7:00.

Dinitz: He could do it in credit and only have to deduct ten percent.

Kissinger: I don't know why they don't want it credit. I once asked Lynn. Lynn said to me that we will have to make it up in a few years.

Dinitz: We have never defaulted.

<u>Kissinger:</u> That isn't the issue. I think these figures are right. I will see the President.

George Ball had an interview with the "Baltimore Sun" and says the great powers should impose a settlement on Lebanon. If we had imposed a settlement on Israel two years ago, we could now do it to Lebanon too.

Dinitz: No one takes Ball seriously any more.

Atherton: In 1968 I went around the Middle East with Ball. He was our Ambassador to New York. He had a "plan" for a settlement which he told them all about, but it had not been thought through at all.

[The Secretary and Ambassador Dinitz met alone from 6:30 until 6:47 p.m.]

SECRET/NODIS/XGDS

SUBJECT: IDENTITY OF ASSASSINS OF U.S. AMBASSADOR IN BEIRUT

25X1

THE SOCIALIST LABOUR PARTY IS RESPONSIBLE FOR THE MURDER OF THE AMERICAN AMBASSADOR AND THOSE WITH HIM.

- 2. WE KNOW OF AN ARAB SOCIALIST LABOUR PARTY IN LEBANON, WHOSE POLITICAL AIMS WERE PUBLISHED IN THE PFLP ORGAN "AL-HADAF" ON 2 AUGUST 1975.
- 3. FOLLOWING IS A SUMMARY OF PRELIMINARY INFORMATION ON THE PARTY:
 - A. THE PARTY IS CONNECTED WITH THE PFLP (HABASH),
 BUT THERE ARE NO DETAILS ON THE NATURE OF THEIR
 TIES.
 - B. PARTY MEMBERS PARTICIPATED IN THE FIGHTING IN TRIPOLI IN MAY 1976 ALONGSIDE PRO-IRAQI BAATHISTS AGAINST SAIQA FORCES.
 - C. THE PARTY APPARENTLY HAS BRANCHES IN BEIRUT AND IN THE SOUTH (TYRE) AS WELL.
 - D. IT APPARENTLY HAS AN ARMED MILITIA.
 - E. THE SECRETARY GENERAL OF THE PARTY MAY BE MUSHIN IBRAHIM, OWNER OF THE "AL-HURRIYA" NEWSPAPER.

 ANOTHER PERSONALITY WHO APPEARED IN THE NAME OF THE PARTY IS HUSSEIN HAMDAN.

TOP SECRET

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4. TO SUN UP, THE ARAB SOCIALIST LABOUR PARTY IS A LEBANESE, LEFTIST, PRO-IRAGI PARTY CONNECTED WITH THE PFLP, BOTH IDEOLOGICALLY AND IN PRACTICE.

ONE SHOULD NOT EXLUDE THE POSSIBILITY THAT MEMBERS OF THIS PARTY WERE ALSO INVOLVED IN THE KIDNAPPING OF COL. MORGAN IN BEIRUT LAST YEAR AND THAT THE PFLP WAS BEHIND BOTH OPERATIONS.

TOP SECRET